

March 25, 1968

CONGRESSIONAL RECORD — SENATE

S 3265

obscene, shows a fear that people cannot judge for themselves," he said.

"The plain language of the Constitution recognizes that censorship is the deadly enemy of freedom. . .," Black said.

"I believe with Jefferson," said Black, "that it is time enough for government to step in to regulate people when they do something, not when they say something."

BYELORUSSIAN INDEPENDENCE DAY

Mr. LAUSCHE. Mr. President, today, March 25, marks the 50th anniversary of a great event in the history of the Byelorussian people. On that day in 1918 the Byelorussian Democratic Republic was proclaimed in that country's ancient capital of Minsk. After several decades of domination by the Russian empire, the Byelorussian people took advantage of the events of the previous months in Russia to break their chains and establish a free and independent Byelorussia.

Unfortunately, these chains were not broken for long. In spite of all their sacrifices, the Byelorussians were unable to preserve their young republic against the onslaught of overwhelming Bolshevik forces. Before a year had passed the Communist tyrants had annexed Byelorussia as part of the Union of Soviet Socialist Republics.

Since then, for almost five decades, the Byelorussians have been living under the oppressive yoke of these detested Communists. The Byelorussian Soviet Socialist Republic brought into existence through brutal Communist aggression is nothing but an administrative arm of the Moscow government and does not represent the will of the Byelorussian people, who passionately yearn for the right to self-determination which they enjoyed so briefly.

On this 50th anniversary of Byelorussian Independence Day, we wish to reassert our encouragement and our sympathy to the Byelorussian people. We live with the hope that one day their aspirations for independence will be realized and that they will once again come to enjoy the right to self-determination of which they have been deprived for so long.

WILBUR J. COHEN: AN UNBEATABLE FOR SECRETARY OF HEALTH, EDUCATION, AND WELFARE

Mr. GRUENING. Mr. President, rather than congratulating Wilbur J. Cohen on his designation as the next Secretary of Health, Education, and Welfare, we should congratulate and praise President Johnson for making such an appointment and for recognizing and rewarding an exceedingly able, dedicated and loyal career civil servant.

In addition, the American public is to be congratulated on obtaining the services as head of this vital Department of a man such as Wilbur Cohen whom the Washington Post rightly describes as "a man qualified by expert knowledge of the field, by skill as a legislative adviser and by proficiency as an administrator." These are indeed rare qualities to find combined in a single individual. Those of us who have had the privilege of working over the years with Wilbur Cohen can take pleasure in President Johnson's

recognition of Mr. Cohen's brilliance in handling the complex problems with which the Department of Health, Education, and Welfare is constantly confronted.

As the New York Times stated:

Wilbur J. Cohen is an astonishing bundle of scholarship, dynamism, legislative know-how and creativity. . . he remains one of the most exuberant and innovative of all the army of career officials in Washington.

He is ideally equipped to carry forward the consolidation of the disjointed department, a task well begun by Mr. Gardner. Equally important, Mr. Cohen brings inexhaustible knowledge, coupled with freshness of vision and originality of mind, to the quest for roads out of the quagmire that now engulfs the public relief system.

While perhaps best known for his yeoman work in securing the passage through the Congress of medicare and medicaid, he has also done much far-sighted, imaginative work in such diverse fields as family planning, welfare, education, and the prevention of juvenile delinquency.

But even beyond experience, maturity of judgment and imagination, Wilbur Cohen will bring to his new post an intimate knowledge of the intricacies of the far flung Department of Health, Education, and Welfare, which could more properly be called the Department of the Commonwealth.

I know that I am joined by many others in wishing Wilbur J. Cohen every wish for his continued success as Secretary of the Department of Health, Education, and Welfare.

THE PRESERVATION OF OUR FREEDOMS

Mr. McCLELLAN. Mr. President, a very remarkable and thoroughly inspiring letter was received by me recently from one of my Arkansas constituents presently living with her children in Ohio. The writer of this letter, a 79-year-old lady, Mrs. Lydia Albersen Payen, expresses her views on several vital issues and emphasizes the necessity of the preservation of our freedoms and the reaffirmation of true religious influences.

Mrs. Payen also sent me two poems written by her, and I find their directness, their wholesomeness, and their sincere qualities most persuasive and appealing.

If more of our citizens possessed the attitudes and shared the beliefs of Mrs. Payen and more often gave expression to such noble and forthright sentiments, the character of our Nation would be strengthened and many of the grave and perplexing problems that confront us could be solved more easily. We would have a better world.

I ask unanimous consent that excerpts from the letter, and the poems of Mrs. Payen be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

PARMA HEIGHTS, OHIO,
March 17, 1968.

Senator JOHN L. McCLELLAN,
Washington, D.C.

DEAR SENATOR McCLELLAN: I know you will be surprised to get this letter, but I

saw an article in my Baptist News Magazine . . .

Next to loving my God, I love my country and it frightens me when I see how we seem to be forgetting God in so many ways. I turn on television and listen to Congress sessions and talks but very, very seldom is God's name mentioned. We have taken Bible reading out of our Public Schools. A little child in kindergarten is not even allowed to say, "Thank you, God" for anything. After all, our forefathers came to this country so that they might worship God as they thought right. One freedom after another in this line has been taken away from us until our country is wandering further and further away from Him. I believe that is why we are having all the troubles of war that we are having.

I live at Stuttgart, Ark., but had a very severe attack of arthritis of the spine so my children brought me up here to take care of me. Owing to the many friends who were praying for me, and to the loving care of my children, I am getting better rapidly and hope to be back home by Apr. 4th. Since being up here, I have had plenty of time to read and have read my Bible completely through. One verse especially stands out. It is II Chron. 7:14: "If my people, which are called by my name, shall humble themselves and pray, and seek my face and turn from their wicked ways; then will I hear from heaven, and will forgive their sin and heal their land."

I think we are more or less all to blame for the condition we are in. Religion has just become a formality to some. I believe if our armies are going to win and if our country wants to become truly great, we are going to have to repent and seek His guidance.

I am a little old woman 79 years of age, but I still don't feel old and one thing I can find time for and that is to pray. I am praying for my President and also for the Senators from Arkansas, my home State. Every morning and night I especially pray that God will help you to fearlessly stand for what is right. I enclose several little poems I have written on this subject. Let us do all we can to bring our country back to a dependence on God.

Yours in His service,

LYDIA PAYEN.

MY COUNTRY

(By Lydia Albersen Payen)

My country, oh, my country,
How I hope you'll always be
Close to the God who led you
In past days, and made you free.

Nations in the past forgot Thee
As they strove for power and fame,
Making Gods of wealth and pleasure,
Living lives of sin and shame.

One by one they fell and vanished
In the dim and distant past;
Without God to guide and lead them,
History shows they did not last,

May the God who through the ages,
Always led His people through,
Be our guide and always lead us
As we seek His will to do.

And I pray that this great nation
Will united, serve our king,
As we bring our all to give Him
And our praises gladly sing.

LEAD ON, OLD GLORY

(By Lydia Albersen Payen)

The flag of my country,
Oh, how much it seems to me!
The symbol of truth
Of right and liberty.

The red stripes for courage
And the white for purity;
The blue field for truth,
The whole flag for liberty.

S 3266

CONGRESSIONAL RECORD — SENATE

March 25, 1968

May I ne'er be guilty
Of a deed that would disgrace,
The flag, stained with blood,
What a costly price was paid.

Lead On, Old Glory;
We'll plunge into the fight,
Doing our best for liberty and right;

Striving to win, because our cause is just,
Let this be our motto, "In God we will trust."

TOURISM: BERLIN WORLD MEETING MARCH 13

Mr. HARTKE. Mr. President, the question of tourist travel is inextricably bound up with the balance-of-payments question. The President has proposed one method for dealing with the problem, and an advisory commission has proposed as an alternative if not as a supplement the investment of new millions in promotion of visits to our shores by foreigners.

Ben Stern, president of Ben Stern & Associates, Inc., with his main office in Washington, has been instrumental in, and widely recognized for his role in, the development of the Universal Federation of Travel Agents' Association as well as in the American Society of Travel Agents.

Mr. Stern, a public relations counsel, addressed the Second International Tourism Exchange in Berlin on March 13, taking as his topic, "An Assessment of Success in Tourist Advertising."

I call attention of interested Members to this noteworthy address, which will be found in the Extensions of Remarks for today.

[For address referred to, see Extensions of Remarks.]

GREEK INDEPENDENCE DAY

Mr. KENNEDY of Massachusetts. Mr. President, the phrase "the Greek ideal" has come to have great meaning to the free peoples of the world. It refers to a dedication to liberty and independence which was fostered in Greece 2,000 years ago and which is cherished just as strongly by her people in modern times.

It is especially appropriate to express today the recognition and appreciation which we in the United States feel for the Greek ideal and for the people of the great country where democracy was born. For today, March 25, is Greek Independence Day, marking the 147th anniversary of the date when Greece regained her freedom after years of foreign domination.

For 8 long years, in the early 19th century, the citizens of Greece battled hard and sacrificed supremely, strengthened by a commitment to freedom. March 25, 1821, marked the final success of that struggle.

In ancient times and in modern times the people of Greece have responded with vigor and with determination to any threat to their liberty. It is this spirit which prevailed in the battles leading to independence in 1821, and it is this spirit which will always prevail in Greece.

Mr. President, along with my fellow citizens of the United States and of the free world, I have been distressed by the domestic turmoil which has beset Greece during the past year. No one who has

an appreciation for the country and its history can favor anything less than democracy for the land where the concept was originally developed. It is my sincere hope that full and traditional democracy will be returned to the nation of its birth as soon as possible.

As we all know, our country owes much in its heritage to Greece and her people. Much of the world's basic knowledge in a wide variety of fields is of Greek derivation. For example, Grecian art, philosophy, literature, and science have left a profound impression on innumerable facets in each of our daily lives.

On a more general level, our concept of liberty and freedom of the individual is based on the Greek ideal. The U.S. Government represents a refinement and adaptation of philosophic and democratic principles of ancient Greece.

In addition, Mr. President, here in the United States we are fortunate indeed to have over 1½ million citizens of Greek descent. The Greek-American community has made a great contribution to our culture and our economy and our democratic spirit. With their pride in family responsibility and respect for democratic institutions, Greek-Americans have always been among our most constructive citizens.

It is a pleasure to join the rest of the free world and with all of our Americans of Hellenic background in observing March 25 as Greek Independence Day.

file EMERGENCY COMMITTEE FOR AMERICAN TRADE SPEAKS OUT ON U.S. FOREIGN TRADE POLICY

Mr. PERCY. Mr. President, the opening session of the Trade Information Committee hearings on the future of U.S. foreign trade policy was held today. Coming as they do in the midst of the international monetary crisis, these hearings are particularly timely. The dangers to our long-range trade policy of overreaction to our present critical balance-of-payments and monetary problems are already clear in the President's proposed curbs on travel and the emergency limitations on direct foreign investment. Concentration on long-range objectives is essential in these critical—and pivotal—times of decision.

The Emergency Committee for American Trade, chaired by Arthur K. Watson, of International Business Machines, has among its membership many business leaders with whom I have been fortunate to work on trade policy matters over the years. They realize, and deeply feel, that the solution to our present problems lies in the direction indicated by our enlightened trade policies of the last 30 years, rather than regressing to the protectionist policies of the Smoot-Hawley era. Only thus can we promote our national strength as a world competitor, as indicated by our present, though declining, trade surplus. This statement presented today to the Trade Information Committee is an outstanding and informative summary of the long-range steps essential to a progressive, forward-looking trade policy for the United States. I think my colleagues in both Senate and House will find it of assistance in under-

standing the problems of current trade policy formulation.

I ask unanimous consent that an article outlining the formation and history of the emergency committee be inserted in the RECORD, followed by the emergency committee statement.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the New York Times, Mar. 17, 1968]

BUSINESS GROUP BACKS FREE TRADE

(By Brendan Jones)

In the popular imagery, big corporation executives rank high as individual copers with great problems. In their own sphere, at least, they seem to have problems for breakfast.

But recently leaders of several of the country's biggest companies discovered a common anxiety over a problem not easily disposed of by individual action.

Basically, the problem was the large number of bills pending in the Congress for import quotas. For the concerned executives, the strong protectionist demand posed a threat to liberal trade policies that they were convinced had brought an era of unequaled economic progress at home and abroad.

CONFUSION SEEN

Amid confusion and resentment arising also from measures to cure this country's international payments deficit, drastic American import curbs seemed certain to set off a wave of retaliation by other countries. Once started, the chain-reaction of reprisals would have the potential for developing into the kind of trade war that prolonged the depression of the nineteen-thirties.

As recounted by Arthur K. Watson, chairman of the IBM World Trade Corporation, in an interview last week, the executives alarmed by the implications of the import-quota bills reacted very much as a community organization might on a problem requiring collective action. They formed a committee.

The group, with Mr. Watson as chairman, is the Emergency Committee for American Trade. It was formed in November with a membership of 22 top corporation executives, including such prominent business leaders as James M. Roche, chairman of the General Motors Corporation; David Rockefeller, president of the Chase Manhattan Bank; Henry Ford 2d, chairman of the Ford Motor Company, and George S. Moore, chairman of the First National City Bank.

Since its formation, the committee has seen its membership grow to 46 with addition of other executives of similar caliber.

Response to an advertisement in a few major publications stressing the benefits of maintaining liberal trade policies, Mr. Watson noted, has been enthusiastic.

The committee, Mr. Watson recalled, had its beginning last fall when he and a few other top executives found in conversations that they had the same reactions to the quota bills that were gaining widespread support in the Congress.

"After the great sigh of relief that had gone up with the final, successful conclusion of the Kennedy round of tariff-reduction negotiations in June," Mr. Watson said, "it was horrible for us—who had been brought up in the Cordell Hull tradition of reciprocal trade—to see six months later the rising demand for new protection.

STEEL AND STRAWBERRIES

"This demand, with bills for quotas on everything from iron and steel to preserved strawberries, made us seem, after agreeing to a wide reduction of tariffs, like a wishy-washy nation unwilling to live up to our commitments. We recognize of course, that some countries do engage in dumping—to put bluntly—but we believe that the industries affected by imports should be helped by

March 25, 1968

CONGRESSIONAL RECORD — SENATE

S 3267

the adjustment assistance provided in the Trade Expansion Act of 1964, not by raising new trade barriers."

Mr. Watson observed that the committee members regarded the pending quota measures as the strongest demand for protection since the United States' reciprocal trade agreements program was initiated by Secretary of State Hull in 1934. With this realization, he said, the committee is determined to maintain vigilant opposition to quota measures through the current session of Congress.

Its main effort, Mr. Watson continued, will be an educational one marshaling considerable factual information on how much trade contributes to productive and employment activity in this country.

Among points that will be stressed, he said, are some that are not too generally appreciated, such as the fact that exports by this country account for something like four million jobs.

Constant emphasis, committee members, feel, must also continue on the point that trade is a reciprocal exchange, and that import curbs inevitably will result in restriction of United States exports now a prime economic asset to every part of the country.

The main effort of committee members, Mr. Watson said, will be in talking with members of Congress that they know personally. In these contacts, the group's members will be armed with facts and figures on the size and value of exports in key industries and in different states and localities.

MAIN EFFORT

For the job of marshaling such information, a group of member companies' economists has been organized, and in addition to its use by members, plans are under way for its publication in a trade-background manual for public distribution.

The committee also will continue efforts to increase business support of its campaign here and abroad. Last week, the committee appealed to business leaders in the European Common Market to support a proposal that would help increase American exports.

Under the plan, the Common Market would speed up scheduled reductions of its tariffs agreed to in the Kennedy round of negotiations. This trade liberalization would be designed to help the United States reduce its payments deficit through increased export earnings and also help to reduce pressures for import quotas in this country.

Shortly after the committee's organization, Mr. Watson said, a number of its members had a "confrontation" with leaders of some industries favoring import quotas. The pro-quota side included representatives of the steel industry.

In debate on the need of the industry for protection from imports, Mr. Watson pointed out, a committee member, William Blackie, chairman of the Caterpillar Tractor Company, stressed the importance of exports to the domestic steel industry, not so much in mill products as in manufactures.

He made his point, Mr. Watson noted, with the comment: "Think of the amount of steel that goes into the tractors I export."

FOUNDATIONS OF FUTURE TRADE POLICY

(Testimony of the Emergency Committee for American Trade at opening session of the Trade Information Committee hearings on the future of U.S. foreign trade policy, March 25, 1968)

Mr. Chairman, members of the Trade Information Committee, I am Robert McNeill, and am here today to present the views of the Emergency Committee for American Trade on the various legislative and other proposals for trade restrictions. I will also comment on the complex and pressing problems of U.S. foreign trade and foreign economic policy that confront us as individuals and as a nation.

Since 1934 the United States has pursued a foreign trade policy the objective of which

is to create a more open trading world by removal of barriers to trade, notably tariffs. It has become a cliché to refer to the reciprocal trade agreements of Cordell Hull as the "beginning" of our modern trade policy. Like many clichés it contains an element of truth, worth additional emphasis here. Until 1934 the United States had maintained that its tariffs were entirely a matter of domestic concern. Tariff matters were held close to our vests as questions neither of international concern nor of international negotiation.

Why, then, did the United States change its policy in 1934? There are many reasons. Among the most important was the recognition that economic isolation, which was then practically universal, was exacerbating economic depression. Another was the recognition that the Congress simply was unable any longer to cope with the complex task of setting rates of duty for literally thousands of products. Congress, therefore, delegated under prescribed conditions authority to the President to negotiate reductions in U.S. tariffs in return for reciprocal action abroad. This policy has been maintained by Congress with very few exceptions to this day.

The economic fruits of the 1934 policy are evident. U.S. exports have grown from \$2.1 billion in 1934 (1934 dollars) to about \$30 billion this year. The dollar volume of trade among free-world countries has more than doubled in the past decade alone. It would be incorrect to attribute this growth entirely to reduced tariffs. But it is, in my view, entirely correct to attribute this phenomenal expansion of international commercial activity—and the foreign investment growth that has paralleled it—to international economic conditions that have been fostered by our commitment to an expansionary international economic policy, which has included reciprocal tariff reduction as a principal objective.

Without appearing excessively proud of our national contribution, I think it is true to say that the United States has provided the essential world leadership toward trade liberalization. In the words of Swiss Federal Councillor Hans Schaffner, Chairman of the Ministerial meetings that initiated the Kennedy Round, "America always brought to us and to the rest of Europe the fresh wind of world trade. . . . In other words, the United States was to us always an example, and more than that: an encouragement." This essential leadership role should not be abandoned.

In these troubled first days of spring, 1968, we can proudly look back over a period of notably successful foreign trade policy. It has been a period in which international cooperation has most considerably enhanced international prosperity.

THE EMERGENCY

Today we are confronted by a threat to this historically successful policy. The threat comes from producers in the United States who are opposed to expanded foreign trade, for various reasons. Among these are some who feel that imports per se are undesirable if only because they compete with American industry. Others, who would otherwise proclaim the virtues of free enterprise and open economic competition, base their opposition to imports on the idea that the rules of the trading world are unfairly applied, or that foreign trading countries pursue policies that are not possible in the United States. Still others believe that existing safeguards against unfair foreign competition are inadequate and even impractical.

The result has been a resurgence of what is labelled "protectionism"—a manifestation of economic nationalism. The tangible expression of this has been the unparalleled effort we are witnessing to bypass existing legal remedies, such as tariff adjustment and adjustment assistance, anti-dumping duties and countervailing duties, in order to obtain restrictive trade legislation, notably quotas.

Into this already volatile situation has

been injected a large balance-of-payments deficit, accompanied by the most severe speculation against the dollar since the thirties. Several methods of controlling imports are being suggested as remedies, but it is clear that more fundamental economic measures to reduce inflationary pressures are the proper and necessary steps. Trade and other restrictions on U.S. international economic transactions are essentially undesirable as methods of remedying the payments deficit.

The Emergency Committee for American Trade was formed in November 1967 because its members believed that the compelling long-term interest of the United States was to maintain the thrust of a liberal international trade policy against restrictionist encroachment of any kind. The Committee fully recognizes, however, that there are inequities inherent in the international trading system that are disadvantageous to many of its members as well as to other American producers—inequities that free trade sloganeering cannot hide. We are intent on recognizing these existing problems and working toward sound solutions within the tested framework of an expanding world economy.

OUR STAKE IN AN EXPANDING ECONOMIC WORLD

It may be helpful first to outline what we consider to be the national stake it continues of a forward-looking international economic policy, and then discuss what we think to be the objectives of that policy.

Expanding world markets for products in which the United States is most efficient are vital. A case in point is jet aircraft and parts, one of our largest exports, totaling \$921 million in 1967, up from the total of \$226 million five years earlier. Aircraft exports are particularly susceptible to changes in the international economic climate, because customers of these products are most often governments or government-controlled entities. Were the United States to take some action damaging to our trading partners, their reaction against us could easily be reflected in government decisions to buy aircraft elsewhere. And without these important foreign markets for U.S. aircraft and parts, the aircraft industry would suffer, in part because the U.S. market alone is not large enough fully to sustain this important industry.

Another example demonstrating the international stake of American industry in international markets is the pulp and paper industry. Total U.S. exports of pulp, paper and paper products were \$594 million in 1965, up from \$302 million in 1958. The U.S. paper industry is deeply interested in foreign markets, and has established strong export positions particularly in pulp, linerboard, and kraft paper.

It is interesting to note that though the pulp and paper industry is an aggressive exporter and has a deep commitment to freer trade, the industry's balance of trade is actually unfavorable. While exports in 1965 were \$594 million, imports were \$1.25 billion. \$789 million of these imports were newsprint, almost triple American newsprint shipments worth \$270 million in 1965. Even though the United States is the single largest exporter of pulp (and of paper products), this country imports \$194 million more of pulp than it exports.

In other words, United States international trade in pulp and paper is truly a two-way street. We are the world's largest exporters of pulp and paper products. We are also very large importers—a big market for other pulp and paper producers.

Though the Emergency Committee for American Trade is representative of the industrial sector, we are also fully aware of the importance in international trade of the agricultural sector. It is often said that the production of one out of five acres is exported. In fact, 1965 exports of cash grain farm products were \$2.89 billion, or fully 27% of domestic production. Exports of tobacco in the same year were worth \$378 million, or 31% of domestic production. Ex-

S 3268

CONGRESSIONAL RECORD — SENATE

March 25, 1968

ports of fresh fruits and tree nuts were \$162.5 million, or 10% of U.S. production in 1965. U.S. agriculture is keenly aware of its stake in international markets. We too are sensitive to the many factors which can affect foreign buyers of these most important American exports.

Another objective of the United States in world trade is to lessen the discrimination against U.S. exports that is inherent in economic regionalism. U.S. support for creation of the Common Market, for example, was a statesmanlike step of a high order. It was predicated on the premise that the regional market would be "outwardlooking" and expansionary in the best sense, so that it would not be unduly discriminatory toward the outside world. Many of us have been discouraged by Community actions, particularly in the field of agriculture, that have not lived up to this premise. We must not relent in our efforts continually to impress upon the Community that in its new-found economic strength it must play a more outgoing role in international economic events. Our success in these efforts would largely be dissipated should we here in the United States relinquish our leadership in seeking and implementing a sound and expanding free-world economic system, which would be the consequence of succumbing to the advocates of restrictions.

Another reason to protect and to stabilize the international business climate relates to the important inter-relationships between trade and U.S. direct foreign investment in production and marketing abroad. Local production overseas by U.S.-controlled companies rose from about \$20 billion in 1950 to about \$100 billion in 1965. This is a simple average growth rate of 26.6% per year compared with a corresponding growth of U.S. exports of 11.3%. Moreover, these foreign investments are estimated to generate one-quarter to one-third of U.S. exports.

The overseas investments of U.S. business are affected in very large degree by the climate in which they operate. Trade restrictions in the U.S. would invariably lead to changes in governmental and other attitudes toward U.S. investments with negative consequences on both U.S. exports and the ability of our foreign investments to repatriate the vital earnings that are so important to our international payments position.

There is still another important U.S. business stake in maintaining and improving the world economic climate. On a sign outside the Madison Avenue building of the International Business Machines Corporation are the words "World Peace Through World Trade." The road to peace is international exchange of people, ideas, goods and capital. Needless to say, all of us have a stake in that objective. We should all be aware of the intense interrelation between economic discontent and political instability. As evidence, we need simply look at the discord in our own cities.

Impediments to trade exist in other countries and these impediments can be shown to damage U.S. exports. The United States Government has an obligation to attack these very real problems which are sources of considerable difficulty to some U.S. industries. But neither private industry nor government should take steps that would jeopardize the enormous economic stakes of U.S. foreign private investment and trade, and our political stake in maintaining harmonious economic relations.

ECONOMIC DISADVANTAGES OF TRADE RESTRICTION

Impediments to trade such as quotas have been widely opposed in past months on the grounds they will bring retaliation from other countries. This point has been made often and there is no need to elaborate it here. There are other, perhaps more important reasons to oppose new trade restrictions.

In general, a new trade restriction is an inefficient and ineffective way to help economic establishments—whether firms or groups of workers or entire industries—to ad-

just to the problems resulting from economic change. This is not to say that there is no case in which additional tariffs, or even quotas, should be used. There are cases in which import protection is an appropriate recourse. One of these is the anti-dumping duty, which is intended to compensate for injurious dual pricing. Another is the countervailing duty, to be used in instances in which imports to the United States are subsidized by a grant or bounty.

In other instances tariff adjustment obtained through an escape clause procedure may be a suitable means of obtaining the necessary breathing space for a hard-pressed industry to regain its wind and become competitive.

But as a general rule the tariff and quantitative restriction should be used as an instrument of national policy only when thoroughly and objectively justified. New U.S. trade restrictions will lead to defensive countermeasures by foreign countries, which would be damaging not only to U.S. exports but to U.S. business operations abroad. Equally, and perhaps more important, are the economic costs to ourselves that such protection undertaken on a wholesale basis would bring. Consumers would be disadvantaged by the increased costs resultant from import restrictions, and the inflationary spiral would be fueled by these costs.

SOME OBJECTIVES FOR FUTURE TRADE POLICY

As a general objective we believe that the continuing thrust of U.S. trade policy must be the progressive reduction of trade barriers of all kinds. The Kennedy Round is often said to have marked the end of the period in which multilateral negotiations under GATT were devoted almost solely to tariffs. In fact, the Kennedy Round did result in the most significant liberalization of tariffs in history, and it did leave tariffs at low or moderate levels. Nonetheless, many high rates still remain. There is still room for considerable progress in further lowering or dismantling tariffs.

But as tariffs have gone down, other impediments to trade have become more visible. These non-tariff barriers now must be attacked with both imagination and vigor. All possible steps must be taken to ensure that countries do not apply new non-tariff barriers—such as quotas—or add to existing barriers—such as border taxes.

Too often the need to attack non-tariff barriers to trade is used as a slogan. As businessmen we do have examples of the operation of what we consider to be unfair and harmful non-tariff trade barriers.

A good case in point are the barriers to selling autos in some European countries and Japan. For example, while Japanese automakers are rapidly increasing their sales in the open United States market, it is almost impossible to sell a U.S. car in Japan. The tariff is not the only important Japanese barrier. It is a combination of tariff, commodity tax, and other taxes on purchase and use that in combination make the price of an American car practically prohibitive. This is an extraordinary level of protection which becomes particularly irritating when coupled with Japanese restrictions on foreign investment that preclude U.S. auto producers from establishing manufacturing and other operations in Japan. As Congressman Thomas Curtis said in a speech in the House of Representatives on July 10, 1967: "American auto companies may not be injured by the carefully planned, aggressively priced, low profit Japanese auto sales in this market, but they expect, and they should fully expect, that they be allowed equally to compete in the Japanese market either by exporting to that market from their facilities in America or in Europe, or by investing in Japanese auto production."

RULES OF FAIR COMPETITION IN INTERNATIONAL TRADE

This is an illustrative example. There are many other problems that require hard

analysis and action. But the magnitude of this task requires that we stop and ask what the objectives of a trade policy devoted to eliminating non-tariff trade barriers might be.

U.S. policy should ultimately be directed to establishing a code of fair competition in international trade. The new International Antidumping Code is often cited as an example of the type of international agreement that can be used to unify the commercial practices of major trading countries to the advantage of them all. But substantial international agreement on rules of fair competition in international trade need not take the form of a single document, or "Code." Rather, the members of GATT should among themselves construct a model of the types of measures upon which general agreement could be reached and then work, piecemeal if necessary, toward fulfillment of their own goals.

Encouragement for this effort is provided by Articles 13 through 17 of the Stockholm Convention creating the European Free Trade Association (EFTA). The Convention provides for the control of five kinds of potential, indirect impediments to freer trade and competition: government aids to exporters, buying practices of government agencies and government corporations, restrictive business practices (mainly practices preventing, restricting, or distorting competition within the EFTA), freedom to establish economic enterprises in EFTA member countries, and dumping. These EFTA articles are not overly ambitious, but they are realistically applicable and are, moreover, a concrete demonstration that the objective of laying down competitive ground rules among sovereign trading partners is both attainable and desirable as well.

We suggest that the overall trade policy study being begun by this Trade Information Committee today consider as a separate item on its agenda the subject of a "Code" of international competition.

REQUIRED INSTITUTIONAL IMPROVEMENTS

Many of the guideposts for the future work of the United States in world trade will be found in the body of the General Agreement on Tariffs and Trade itself. In essence, GATT is the best line of U.S. defense against unfair foreign trading practices. GATT should be strengthened and the United States should give it the recognition it needs to do its work more adequately.

If the United States is to be able to cope fully with future trade problems and is to be able effectively to work toward a code of fair international competition, thought should be given to improved administrative mechanisms for the conduct of trade and related foreign economic policies. One avenue of approach would be to strengthen the Office of the Special Representative for Trade Negotiations, looking toward eventual creation of a foreign economic agency with Cabinet status.

THE INTERNATIONAL ECONOMIC ADJUSTMENT PROCESS

I have discussed the successful record of United States now-historic trade liberalization policy and I have given concrete reasons why the Emergency Committee for American Trade wishes to reaffirm this essential policy and at the same time defend it against encroachment by new trade barriers. I have also discussed elements, such as creating uniform ground rules for foreign competition, that we should use to create the foundations of future trade policy. I would like now to relate this discussion to a broader policy question which we call the international economic adjustment process.

In this context we should view international trade as only one element in international economic relations which include many types of transfers and transactions of goods, services, and capital. All of these international transactions are influenced and

March 25, 1968

CONGRESSIONAL RECORD — SENATE

S 3269

even distorted when one national entity in the international economic "system" finds itself badly out of step with the others. The situation thus created is disequilibrium. In a classical economic framework in which exchange, payments and trade were entirely free, this disequilibrium could probably be said to be self-corrective over time, if the individual members of the system were willing to accept the corrective medicine, such as deflation. Ours is obviously not this kind of world. Governments of course do not wish to subject themselves to economic changes dictated by economic forces they cannot control.

Thus the international economy has become carefully structured. In a sense, the years since World War I have been spent trying to learn how to structure the economic system wisely. The keystone of the structure is international responsibility and joint international action. The agreements in the U.N. Charter for world political co-operation were echoed in the agreements creating institutions for economic stability: the World Bank, the International Monetary Fund, and the GATT itself. At least in part, their objective is to prevent rash action by a single member country which might seek a hasty international solution to essentially domestic problems.

This is the world economic system that is being so severely strained today. The U.S. gold and balance-of-payments crises are, of course, closely related to the issue whether the United States can exercise responsibility in its own conduct of domestic economic policy. We can reasonably take many of the direct steps the President has so far advocated for solving the balance-of-payments problem. More importantly, however, we must take general measures to put our own economic affairs in better order. Better than piecemeal encroachment upon freedom of trade and payments, we should enact the proposed income tax increases and we should at the same time practice as much economy in Federal spending as the war in Vietnam and other essential national commitments will permit, in order to reduce the buildup of inflationary pressures.

These vital and basic steps would help to inspire confidence in foreign countries that we are going to administer our economy soundly. Since their willingness to hold large quantities of dollars is essential to the gold and balance-of-payments situation, these would certainly be steps in the right direction. They will have a force much more fundamental and corrective than any import restrictions. In these ways we can measurably help to strengthen the international adjustment mechanisms that have been created to institutionalize stability, and where possible we should take other appropriate steps. Speedy implementation of the plan for Special Drawing Rights in the International Monetary Fund is one needed step.

SUMMARY

I would summarize as follows:

1. Our historic policy of trade liberalization through removal of trade barriers should be maintained.

2. Current proposals for quota restrictions on imports should be rejected and new trade restrictive measures should be opposed in favor of more fundamental corrective measures.

3. Efforts to reduce remaining high tariffs should continue.

4. New emphasis should be given to removing non-tariff barriers to trade.

5. Removal of existing tariff and non-tariff trade barriers should be carried out in the new context of an effort to create international rules of fair competition among trading nations.

6. The Special Representative for Trade Negotiations should incorporate study of such a body of fair competitive rules in the overall trade policy study now being conducted by his office.

7. The GATT should be strengthened, as should the international economy policy-making mechanism of the United States Government.

8. The international economic adjustment process should be improved by the completion of new monetary devices and other steps leading to restoration of economic stability in the United States, and equilibrium in the international economy.

CONCLUSION OF MORNING BUSINESS

Mr. BYRD of West Virginia. Mr. President, is there further morning business?

The PRESIDING OFFICER. Is there further morning business? If not, morning business is concluded.

TAX ADJUSTMENT ACT OF 1968

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 995, H.R. 15414.

The PRESIDING OFFICER. The bill will be stated by title.

The BILL CLERK. Calendar No. 995, H.R. 15414, an act to continue the existing excise tax rates on communication services and on automobiles, and to apply more generally the provisions relating to payments of estimated tax by corporations.

The PRESIDING OFFICER. Without objection, the Senate will proceed to its consideration.

Mr. BYRD of West Virginia. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR YOUNG OF OHIO

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the distinguished junior Senator from Ohio [Mr. Young] be recognized for a period of not to exceed 15 minutes, and that he may speak out of order.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator from Ohio is recognized for 15 minutes.

OUR VIETNAM INVOLVEMENT: PRESIDENT JOHNSON'S GRAVE MISTAKE

Mr. YOUNG of Ohio. Mr. President, the events of recent months in Vietnam clearly demonstrated that the policy of continued escalation and expansion of the war which President Johnson and the Joint Chiefs of Staff have followed for more than 3 years is a futile one.

Time and again General Westmoreland and the Joint Chiefs of Staff have demanded and received additional men and supplies, each time accompanied by their sanguine and optimistic assurance that the end of the war was in sight. They saw daylight at the end of the tunnel. Each time they were proven wrong.

As we have sent additional men and arms to South Vietnam, the North Vietnamese and Vietcong have more than matched our efforts with men, arms, and increased determination. Instead of victory each escalation and expansion of our fighting an American war and bombing more and more areas in North Vietnam has produced a new stalemate at a higher level of death, destruction, and despair for the Vietnamese and in mounting costs in lives, money, and loss of respect for the United States. Since 1960, more than \$115 billion of American taxpayers' money has been spent on our involvement in this miserable civil war in Vietnam.

General Westmoreland reportedly requested 206,000 additional troops, a 40-percent increase over the number of marines, soldiers, and airmen now in Vietnam in order "to regain the initiative." The fact is that even before the Tet offensive we have been on the defensive in every area in South Vietnam except for our bombing and search and destroy operations. There is every reason to fear that a further escalation and expansion of our intervention of the manner General Westmoreland has proposed will create new problems of unprecedented proportions for the United States both at home and abroad.

This is no time for patience with policies that have been repeatedly discredited by events. This is no time to hold fast to a course that has been steadily leading the Nation toward catastrophe at home and the loss of respect abroad.

The American war we have been waging in Southeast Asia is eroding the very moral fiber of the Nation. It is blocking an attack on social problems at home which have reached the point of disaster. It is setting American against American. It is demoralizing our politics and deranging our daily lives. It is inevitably leading to a pocket-picking inflation. It is undermining the U.S. dollar abroad as it is leading toward uncontrolled inflation at home. It is strengthening the Communist countries, which have been torn and weakened by internal conflicts. Also by enmity of Communist China toward the Soviet Union. It is paralyzing our influence in other vital areas of the world. It is pushing us ever closer to world war III and a nuclear holocaust.

We know now that a military victory cannot be won without utterly destroying the country we ostensibly are fighting to defend. In 1964 former Senator Barry Goldwater stated:

Defoliation of the forest by low-yield atomic weapons could well be done. When you remove the foliage, you remove the cover.

Administration militarists are now carrying on the Goldwater program. We are removing the cover hoping the Vietcong will stand naked to be cut down by American airpower. In spraying and destroying farms in Vietcong controlled areas, Vietnam, a beautiful green paradise, is being stripped of vegetation and crops. More than a million and a half acres have already been ruined. Two million Vietnamese peasants have been driven from their hamlets—many forced into refugee camps. Defense Department officials now propose to use new and more powerful chemicals to increase the total

S 3270

CONGRESSIONAL RECORD — SENATE

March 25, 1968

of ruined, spoiled land to a catastrophic extent. We are not only destroying the meager food supply of Vietnamese civilians, but by our dastardly defoliation of the countryside of a people President Johnson claims we are seeking to free, we are also leaving the earth sterile for future generations. Unfortunately, old men, women, and children trying to stay alive are being hurled closer to starvation or herded like animals into American refugee camps.

We now know that not even our awesome weaponry can impose on a suffering silent people a colonial government they do not want and will never again suffer to take hold. We know, or should know, that steadily deepening involvement in a civil war in Vietnam will not deter social revolution elsewhere, nor contain Communist China. On the contrary, the brutal impact of military technology on a primitive agrarian society is creating enemies for us all over the world. Driving North Vietnam into the arms of China is not containment.

Proposals to send 50,000 to 206,000 additional American troops to Vietnam, to extend use of our tremendous firepower in more bombing and shelling of hamlets in Laos, Cambodia, and North Vietnam, and to seriously consider employment of tactical nuclear weapons in destroying far off agrarian countries and their national do not represent mere escalation in degree of an old war. This was a civil war in Vietnam. It is now an American war.

The fact is that the world today is living under the dread portent of World War III. Particularly so if President Johnson does not seek a diplomatic settlement. If he continues his determination to fight on to an ultimate military victory to what tragedy that will ultimately lead us no one knows.

Instead of considering means of maintaining South Vietnam as a military bastion on the mainland of Southeast Asia, President Johnson and his advisers should immediately seek to bring about a political settlement and the military neutralization of South Vietnam.

President Johnson has made a grave mistake. He is in serious difficulty not only in world opinion but in particular in the opinion of what is probably now a majority of American citizens, solely due to his determination to fight on in the American ground and air war he is waging in Vietnam to ultimate military victory. The times, commonsense, and the opinion and judgment of heads of state of all Asiatic nations and in addition the heads of state of our European allies, the United Kingdom, West Germany, Belgium and France call for an unconditional halt of bombing of North Vietnam without delay and for us to seek a diplomatic settlement of an ugly war which seems unwinnable. This despite the fact that more than 21,000 men of our Armed Forces have died and more than 110,000 have been wounded in combat.

The President owes a duty to the American people to announce that in seeking a ceasefire and an armistice in Vietnam our hope is for a permanent settlement. Therefore, delegates and representatives of the National Liberation Front, the political arm of the Vietcong,

should participate in any conferences along with delegates of the Saigon military regime of Thieu and Ky, which we are supporting and maintaining in office, along with representatives of North Vietnam. Furthermore, in any government of South Vietnam, Thieu and Ky, who talk violently of invading North Vietnam but have failed miserably in achieving land reforms and thereby earning support from the countryside, should be bluntly informed that American aid to them will be diminished and will soon be nonexistent unless a coalition government is formed in Saigon including not only representatives of the National Liberation Front but also Buddhists, neutralists, so-called, and opposition leaders in the constituent assembly including several recent candidates for President.

Unfortunately, the Vietcong leaders outgeneraled and outwitted General Westmoreland and our generals in South Vietnam and the South Vietnamese leaders, when instead of striking at Khe Sanh, which they had encircled during several weeks preceding the Tet lunar holiday and threatened to overrun causing our generals to withdraw more than 40,000 fighting men from the central highlands and Mekong Delta, preparing to encircle the encircled and repel that Vietcong offensive action against Khe Sanh which was never intended, the Vietcong struck everywhere they were not expected. They overwhelmed 38 provincial capitals, including Saigon itself for several days. Even our Embassy in Saigon was invaded and taken over for nearly 7 hours and Ambassador Bunker forced to flee for his life.

At the time of our halt in bombing North Vietnam we should also announce that all search and destroy missions by our troops in South Vietnam will be halted, and that we are seeking disengagement. We should immediately announce our intention to end escalation and expansion of our fighting in Vietnam and announce a temporary halt to increasing the total number of our troops in South Vietnam during a period of 30 days.

In fact, if there seems some likelihood, or promise, that through the United Nations or the International Control Commission or by intervention of heads of state of India, Pakistan, or any other Asiatic country, talks are likely to commence seeking to end the bloodletting, all offensive combat action on both sides should be stopped. This should specifically require an end to terrorist acts on both sides and ending of all so-called search and destroy missions while talks are going on which may lead to peace.

Very definitely, the National Liberation Front of South Vietnam, which is the political front of the Vietcong, must necessarily participate in any conference and be represented by delegates independent of those of the Saigon and Hanoi governments if there is to be peace in Vietnam. That we are willing to negotiate directly with the Vietcong should be announced by our President regardless of the feelings of Thieu and Ky who could not remain in power for more than a few days were we to withdraw our military support of their dictatorial regime.

Furthermore, we should require the

military regime in Saigon to rule legally instead of by decree under the so-called martial law program declared by President Thieu and Vice President Ky. Furthermore, insist that Thieu and Ky immediately release all political leaders of opposition factions now under arrest and held in so-called protective custody and demand that these so-called neutralists, Buddhists, and leaders such as Dzu and others supporting peace causes must be included in a broadened base of government of South Vietnam. President Johnson should admit that the present military regime in Saigon is not representative of the people of South Vietnam and lacks the support of all except a very small minority. An announcement should be made from the White House that all opposition elements, whose total strength was indicated to represent approximately 65 percent of the wishes of those of South Vietnam who voted in the September 1967 election, must be represented in the ruling government.

We must be prepared to accept a coalition government that would give true representation to all the political forces in South Vietnam. It is difficult to see how there can be any peaceful settlement in South Vietnam without some form of coalition government, since the National Liberation Front controls as much, if not more, of South Vietnam than does the Saigon regime. Of course, the Saigon military junta which feeds on this war opposes any negotiations. There is not doubt that the people of South Vietnam would welcome a coalition government if that meant a step toward peace.

Once a cease-fire and an armistice has been negotiated, we should then gradually withdraw our forces to Camranh Bay, Danang, Saigon and our other coastal enclaves until an international agreement has been effected to guarantee the neutralization of Vietnam, Laos and Cambodia. Then, when a secure peace has been established, we could gradually withdraw our troops and set about to repair the tragic wreckage the war has wrought.

Unless some action is taken by us without delay and unless the President abandons his determination to fight on in Vietnam to complete military victory, we Americans shall be doing the fighting and our youngsters will be doing the dying throughout another 5 years.

The time has come to abandon our bankrupt policy of escalation. The only answer is for the administration to make up its mind to seek peace and to extricate our Nation from the Vietnamese quagmire.

President Johnson and Dean Rusk like to talk about the commitments of three Presidents. Also Secretary Rusk makes frequent mention of Communist aggression from the north. They know there are no such commitments. On the day President Eisenhower left office in 1961, we Americans had 685 military advisers in South Vietnam. President Eisenhower had written in 1954 to the President of South Vietnam stating:

I am instructing the American Ambassador . . . to examine with you . . . how an intelligent program of American aid . . . can serve to assist Vietnam in its present